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ARIZONA CORPORATION COMMISSION

March 13, 2007

Chairman Mike Gleason
Commissioner William A. Mundell
Commissioner Kristin Mayes
Commissioner Gary Pierce
Parties to the Docket

Re: Tucson Electric Power Company's Motion to Amend Decision No. 62103
Docket No. E-01933A-05-0650

Dear Colleagues and Parties to the Docket:

During the hearing on March 8, Jim Pignatelli, President and CEO of TEP, and Ray Heyman, General Counsel of TEP, proposed a procedural framework to address TEP's Motion to Amend Decision No. 62103 and the resulting Commission Decision No. 68669.

I strongly encourage the Commissioners and the Parties to consider TEP's proposed procedural framework as means of deciding the current feasibility of the 1999 Settlement in light of the Track A, Track B and *Phelps Dodge* decisions. Other issues, including Demand Side Managements, Renewable Energy and Time-of-Use, will also be addressed. The Parties will then have the opportunity to react to TEP's rate case filing, offer modifications or recommend different alternatives.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Hatch-Miller".

Jeff Hatch-Miller
Commissioner

CC: Jane Rodda
Chris Kempley
Ernest Johnson
Brian McNeil